

FISCAL NOTE

SB 1640 - HB 1443

March 31, 1997

SUMMARY OF BILL:

Changes TennCare criteria concerning the availability of providers in rural areas. Present criteria requires that TennCare enrollees shall be within 30 minutes or 30 miles from such enrollee's residence. Bill changes criteria to within 20 minutes or 20 miles, which is the criteria used for urban areas.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures: Exceeds \$100,000

Estimate assumes that HMOs will be required, in some areas, to contract with providers and facilities which would not be willing to accept current fees in order to comply with the provisions of the bill. The resulting increased cost to the HMOs is estimated to lead to increases in capitation rates that would not have occurred in the absence of the bill.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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